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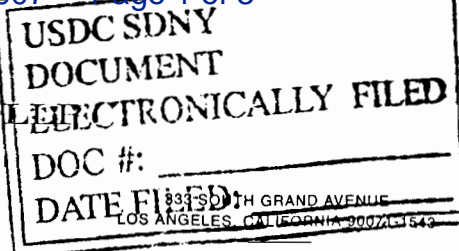
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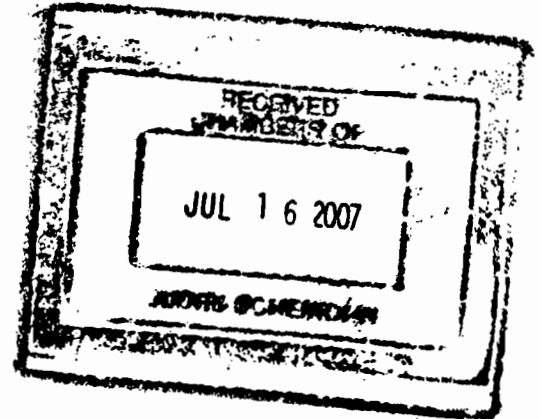
STEVEN M. SCHWARTZ
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July 13, 2007

BY HAND

Honorable Shira A. Scheindlin
United States District Judge
United States District Court
Southern District of New York
500 Pearl Street, Room 1620
New York, NY 10007



Re: Related Cases 07-CV-2618 (DAB) and 07-CV-6377 (SAS)

MEMO ENDORSED

Dear Judge Scheindlin:

Winston & Strawn LLP represents Amaranth Advisors L.L.C. ("Amaranth"), a defendant in each of the above-referenced actions.¹ We write pursuant to Rule 15(c) of the Rules for the Division of Business Among District Judges and Local Civil Rule 1.6 to alert the Court that these two actions are related and therefore should be assigned to the same District Judge in order to avoid unnecessary duplication of judicial efforts.

On March 29, 2007, San Diego County Employees Retirement Association commenced an action (Case No. 07-CV-2618) against Amaranth, Nicholas M. Maounis ("Maounis"), CEO and CIO of Amaranth, and other officers and employees of Amaranth. The complaint, a copy of which is annexed hereto as Exhibit A, asserts federal securities law claims and state common law claims premised on, among other things, alleged improper trading by Amaranth of natural gas futures on the New York Mercantile Exchange ("NYMEX") in 2006. This case was assigned to Judge Batts, and motions to dismiss have been filed. Plaintiff's response to those motions is due August 14, 2007.

Yesterday, July 12, 2007, a class action complaint was filed against Amaranth, Maounis and J.P. Morgan Chase & Co. ("Chase"), alleging violations of the Commodities Exchange Act based on alleged manipulation by Amaranth of the NYMEX natural gas futures

¹ Winston & Strawn LLP also represents defendant Charles Winkler in Case No. 07-CV-2618.

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AUG 17 2007

Request to transfer declined. This Court will retain the case of Gracely v Amaranth et al. 07 Civ 637. So Ordered. Judge USDC 8/15/07

WINSTON & STRAWN LLP

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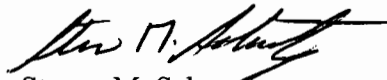
market between February 23, 2006 and September 20, 2006. This action (Case No. 07-CV-6377) was assigned to Your Honor. A copy of this complaint is annexed hereto as Exhibit B.²

These cases involve the same defendants (except for Chase) and are premised on the exact same trading by Amaranth on the NYMEX market during the same time period in 2006. Accordingly, the key documents and witnesses will be the same in both cases. Thus, for the sake of judicial economy and the convenience of the parties and witnesses, these two cases should be before the same District Judge.

Accordingly, in accordance with Rule 15(c) of the Rules for the Division of Business Among District Judges, Amaranth respectfully requests that the action filed yesterday, Case No. 07-CV-6377 be transferred to Judge Batts as related to Case No. 07-CV-2618. We have spoken to counsel for Defendant Maounis who joins in this request and counsel for Defendant Chase who takes no position on this request.

We thank the Court for its attention to this matter.

Respectfully submitted,



Steven M. Schwartz

Copies by hand to:

Honorable Deborah A. Batts
United States District Judge
United States District Court
Southern District of New York
500 Pearl Street, Room 2510
New York, NY 10007

J. Michael McMahon
Clerk of the Clerk
United States District Court
Southern District of New York
500 Pearl Street
New York, NY 10007

² Amaranth has not been formally served in this action, but Winston & Strawn LLP has obtained a copy of the Complaint. By writing this letter we do not intend to make an appearance or waive the requirement of service of process.

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Counsel for Plaintiff in 07-CV-2618

Copies also sent to Counsel for each Defendant in 07-CV-2618